

Interview published in weekly magazine NEDELJNIK on 31 August, 2017

Dr Andreas Wicki, CEO of HBM company

WE INTEND TO STRENGTHEN GALENIKA

Just imagine what Amicus' pipeline and energy could add when attached to the Galenika business and reputation here in the region!

Q: As I recall, some years back, your company HBM, which is Switzerland's largest 100% Healthcare-dedicated group of funds, significantly invested in PharmaSwiss.

Ans: We've had an extremely good experience with PharmaSwiss. We built the company in ten years from zero to over 200m Euros in sales, with 850 employees, present in 19 markets, of which Serbia was the most important and largest by far. Because of that, in 2010 we took a decision to build a brand-new pharmaceutical factory here in Belgrade, which was completed in 2012 – and done with the investment of 30m Euros.

Q: So what brings you to Serbia today, is it your interest via your new Serbian investment in Amicus in pursuing the acquisition of Galenika which has been announced publicly recently?

Ans: I am visiting Serbia, actually, for other reasons, as part of a visit of a delegation of top German and Swiss CEOs and entrepreneurs. We've met with your President and Prime Minister and have heard encouraging information about the openness of Serbia to foreign investment.

Q: But since you are here, could you talk concretely about your interest in Galenika and why you might be interested in Amicus purchasing the company?

Ans: First of all, the management team at Amicus is the same team that built PharmaSwiss. We have a lot of trust in that team, and that is why we have invested money in Amicus. When we look at the Galenika opportunity, we think we could be a great partner for all stakeholders - the government, the employees and the company itself.

It's clear that Amicus does not yet have a manufacturing facility, but will need one over the years. Therefore, the purchase of Galenika would be very important for us. We could and would engineer its transformation into a modern manufacturing base supplying other markets in which Amicus operates. In that way, we would avoid building on a greenfield site in Serbia or in a different country – please understand that Amicus operates already in 11 countries. What we are talking about is adding Amicus' growing portfolio to that of Galenika's. We are not speaking about us purchasing Galenika to strip off the brands and sell the facilities as a real estate play, putting Galenika's current production into other facilities that we control somewhere else. We speak about the opposite of such a strategy – buy and build. That's what we do. We are long-term investors and build real, sustainable businesses. I am very proud of that.

In addition, let me say that we bring also the dynamic Business Development capabilities of Amicus. Look at their website www.amicuspharma.eu – to achieve what they have done in three years is breath-taking!

Just imagine what Amicus' pipeline and energy could add when attached to the Galenika business and reputation here in the region!

Finally, let me remind you that HBM's Funds have invested a billion Euros in more than 40 healthcare companies, many of which have some remarkable new products. That enables us to give Amicus – and Galenika if Amicus succeeds to acquire it - unique access to license-in novel products that could be put into a combined Galenika-Amicus platform for the whole of Central and Eastern Europe.

In fact, I think it can be safely said that if we succeed in buying Galenika, it would be the number one Swiss investment in Serbia.

Q: This sounds promising, but what does it mean for Galenika's employees? People are saying that employee numbers would be reduced under any buyer.

Ans: We don't avoid difficult questions. Our reputation is well-established as straight businessman who bring decisions and clarity, and who are honestly forthright. So, let me say that it's clear that new business cannot be brought in to Galenika until Galenika's manufacturing operations have been upgraded – we are speaking specifically about non-solid dosage forms and biologicals.

In terms of numbers of employees, we believe that Galenika has to have a competitive number – as a guidance to understand what that optimized number should be, it would reflect industry standards. This would be of course discussed and agreed with the government, the employees and their representatives and other stakeholders. But let me underline that developing, growing and adding to the current business is the only way how to retain the maximum number of jobs at Galenika, and eventually to increase employment once the company is stabilized. And let me repeat: we intend to build Galenika and not strip it and produce its products in other factories.

If we succeed in buying Galenika, it would be the number one Swiss investment in Serbia.

Q: Do you think that success of this kind of project depends on the mentality of our people and their readiness to adapt to Company's requirements and to position themselves as highly motivated and engaged workers?

Ans: The educational system of your country is organized in the way to provide students with good basic knowledge and to prepare them for work. Our job is to educate each new employee, if they are sufficiently motivated and willing to learn through new experiences.

It is important to have good senior management that would bring an adequate corporate culture which of course adapts to the mentality of local people and at the same time it represent the stable basis for successful business operations and HR management.